

HOUSING FUNDS CONSOLIDATION:

On April 3, 2007, the Board of Supervisors asked the Joint Trust Fund Committee (made up of ADUAB, Housing Advisory Board, and IDA members) to continue to work together to consolidate available housing funds into a unified housing trust. The purpose of the consolidation is to allow more opportunity to leverage Federal, State, and private funds and to simplify and make more efficient fund accounting and administration. The Committee was asked to draft recommendations for the Board to consider, including funding priorities and a fund dispersal process. The Board asked that the terms of the County of Loudoun Housing Trust be modified to broaden the beneficiaries of the Trust, so that a variety of programs could be supported, such as development of affordable rental housing; the provision of accessibility grants for the mobility impaired to enable them to stay in their homes; home improvement loans for neighborhood revitalization; closing costs for critical workers that are hard to hire due to the lack of affordable housing; and for community infrastructure grants to provide indoor plumbing or connections to public facilities. Fund consolidation is to include the following funds (fund amounts as of January, 2007):

(a) Belmont Ridge Affordable Housing Trust (\$650,793)

This fund was established in October 1992 as a 30 year trust that will expire in 2022. The fund is to be used "to provide eligible buyers with money for a second mortgage for any unit in Belmont Ridge, whether it was originally sold as an affordable unit or not." The use of this fund is restricted to the Belmont Ridge development and is virtually unusable given the increase in property values in that neighborhood. The Trust Agreement does not provide for amendments. In order to use the funds before the Trust's expiration, at Board direction, the County is seeking reformation of the Trust Agreement through a legal process to release the funds for affordable housing purposes.

(b) County of Loudoun Housing Trust (\$3,762,791)

This fund was established in August 1997. The significant current balance is by and large the result of the March, 2005 Board of Supervisors' approval of the conversion of ADU rental apartments to ADU for-sale condominiums at the Summerfield at Brambleton development. Fifty-six condominiums were sold at market price and, since October 2005, this fund has steadily received money to total \$3,465,492 from the proceeds of the condominium sales. The Board of Supervisors recently committed \$250,000 of this Trust to the Habitat for Humanity St. Louis project on the recommendation of the ADUAB. This fund was established "to further the provisions of affordable dwelling units in Loudoun County. . . To spend the monies in the Trust in the manner in which the Trustee [Board of Supervisors] deems most appropriate in order to further the provision of affordable dwelling units to the Beneficiaries." Beneficiaries are defined as persons who qualify for the ADU program with incomes from 30% to 70% AMI. This Trust was set up to be funded by the cash proceeds of the sale of ADUs at market price, the "cash in lieu" provisions of the ADU Ordinance, and as a repository for affordable housing proffers. The Trust Agreement currently limits expenditures to the benefit of persons with incomes from 30% to 70% AMI and allows for modification. The Board directed that the agreement be modified to broaden the income ranges that benefit from it to support a broader range of programs.

(c) Housing Fund (\$402,218)

In July 2004, the Board of Supervisors established a Housing Fund and allocated one million dollars to this fund to be used for workforce housing initiatives. The Board appropriated \$280,000 of this fund to be used for revitalization of owner-occupied homes in eastern Loudoun neighborhoods (Eastern Loudoun Revitalization Program). The Housing Advisory Board expended \$29,839 for the AECOM Consult study to determine the workforces' housing needs. The Board of Supervisors allocated \$81,000 for Birmingham Green and, based on a Housing Advisory Board recommendation, the Board committed \$250,000 to be used for the plumbing improvements necessary for residents of Willisville to connect to the wastewater treatment system that is being constructed.

(d) Affordable Housing Proffers (\$2,602,392)

(This balance includes cash contributions committed or paid plus escalators and interest and does not include disbursed proffers to programs.) Historically, funds were proffered for affordable housing before the adoption of the ADU Ordinance. These proffered funds were used by the Board of Supervisors to establish the County's Down Payment and Closing Cost Assistance Program. Generally, the most recent proffer accumulation is the result of providing cash in lieu of ADUs as an approved modification to the ADU Ordinance by the Board. A few recent proffers are from developments not regulated by the Ordinance. Not all proffered amounts have been received as of yet given the terms of the proffer agreement. Most proffers that include cash commitments also include an escalator, so that their value increases until paid. All proffer accounts collect interest. Proffered funds generally accumulate slowly as they are usually tied to building permits. Consequently, these proffered funds have been steadily provided over the past couple of years. Not all of the proffered funds have been paid since some of the developments are still under construction. These funds are restricted in the proffer to use for affordable housing purposes and should likely be placed in the County of Loudoun Housing Trust pending proffer interpretation.